

215.44

Calculating Income

Overview

The WIC data system calculates income based on what data is recorded in the income table.

FNS Policy reference

The following policy provides guidance and direction:

- WIC Policy Memorandum #2011-7; Conversion Factors for WIC Income Eligibility Guidelines (IEGs)
- WIC Policy Memorandum #2013-3 Income Eligibility Guidance

Regular income calculations

The table below describes how monthly income is derived when the applicant receives the same amount each pay period.

If ...	Then ...
Income occurs at more than one frequency (weekly, monthly, biweekly, etc.)	All income must be annualized and the sum compared to the established annual WIC Income Eligibility Guidelines.
Income is from only one frequency	The income should not be annualized but compared to the appropriate established WIC Income Eligibility Guideline for that frequency.

Annualizing income procedure

The WIC data system will perform the following calculations to annualize income.

If income is received...	Then ...
Weekly	Multiply income by 52
Every two weeks	Multiply income by 26
Twice a month	Multiply income by 24
Monthly	Multiply income by 12

- Do not round the values resulting from each conversion.
- Add together all of the unrounded, converted values.
- Compare the total to the published WIC Income Eligibility Guidelines to determine eligibility.

Irregular income calculations

Income may be irregular due to varying number of hours worked, changing wages, or irregular overtime hours. Income may also have decreased due to strikes or unpaid leaves. It will be necessary to manually calculate the monthly or weekly income to record in the WIC data system.

If income is received...	Then ...
Monthly or twice a month	<ul style="list-style-type: none">• Total the income earned during the preceding 90 days,• Divide by 3 to obtain monthly income, and• Record this amount in the income table.
Every two weeks or weekly	<ul style="list-style-type: none">• Total the income received during the preceding 12 weeks,• Divide by 12 to obtain a weekly income, and• Record this amount in the data system.

Note:

- Applicants with unpaid maternity leaves are considered to have an irregular income.
- In determining the income eligibility of categorically eligible persons affected by the Federal shutdown, State/local agencies should use the same policies/procedures normally used to assess the income eligibility of a person experiencing a temporary loss of income such as temporarily laid-off workers.

Self-employment

Both farm and non-farm self-employed persons are assessed for WIC income eligibility using net income rather than gross income. Use the applicant's most recently completed IRS tax returns as a basis for calculating net income. Use the "adjusted gross income" figure indicated on the completed Federal tax return.

Note: You will find the adjusted gross income on line 7 of the 2018 1040 IRS Form.

Lump sum payments

Divide the lump sum payment by 12 to obtain a monthly income from the payment. Add this amount to monthly income from any other sources. This amount must be counted as income for 12 months after it was received.

Unemployed adult family members

For applicants with unemployed adult family members, current income is based on the period of unemployment **if** that period is less than 90 days. Total the income for the period of unemployment, and then calculate monthly income. It may be necessary to calculate weekly income in order to calculate monthly income.

Note: To be considered unemployed, a person has to have been previously employed and actively seeking employment. Adult family members include individuals who are 18 years or older.

Note: Unemployment benefits in Iowa may or may not be reduced for taxes and also may be garnished for a variety of reasons (i.e. child support). When asking for documentation of unemployment benefits, participants should be asked to bring a “white sheet” (which can be obtained from their local unemployment office).

Using tax returns

A tax return may be used only for those farm and non-farm self-employed individuals as the basis for determining annual income, but it must be adjusted to reflect income for the most recent 12 months. Base the adjustment on self-reported changes in income